



RUSSIA

Meat and poultry production increased 3.9 percent to 3.7 million metric tons from January through July 2006, when compared to the same period a year earlier. Egg production increased 2.8 percent to 22.6 billion eggs.

Broiler production in 2006 is expected to increase 20 percent and will continue to grow an additional 18 percent in 2007. Turkey production is also growing as new turkey facilities are being built and because turkey meat prices are much higher than broiler prices in Russia.

Poultry meat consumption has recovered from the drop following highly publicized outbreaks of avian influenza in late 2005 and early 2006. Consumption of poultry meat in Russia increased 4 percent in June 2006 compared to the previous month.

According to the Russian Federal Customs Service (FTS), January through August poultry imports fell to 818,4000 metric tons, compared to 834,000 metric tons during the first eight months in 2005. U.S. poultry exports under the H.S. code 0207 for January through August 2006 totaled 513,862 compare to 502,798 metric tons for the same period a year earlier.

Poultry Meat H.S. Code 0207, in thousand metric tons

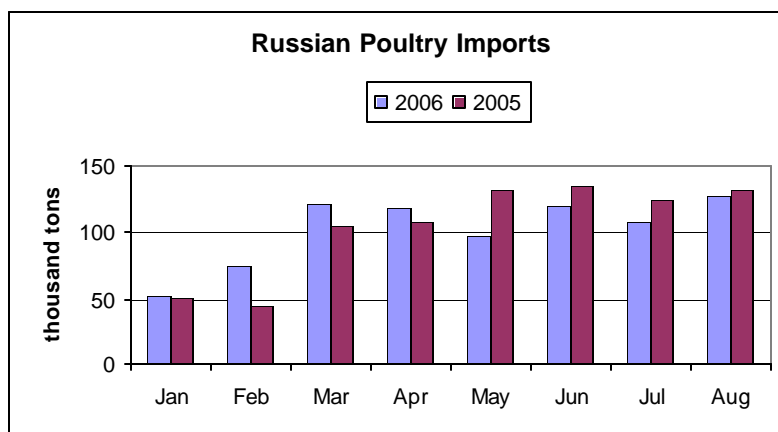
	January –August		
	2006	2005	% chg
Russian Imports	818.4	834.0	-2%
U.S. Exports to Russia	513.9	502.8	+2%

Poultry stocks this spring were large due to a sharp reduction in consumption caused by avian influenza outbreaks. As a result, the Ministry of Agriculture began supporting poultry shipment restrictions – cancellation of poultry veterinary import permits and pressuring poultry importers to “voluntarily” cut their imports by 30 percent.

The Russian government is currently reviewing a draft of a new technical regulation, which would significantly elevate import requirements of poultry meat and processed poultry products.

The Russian Poultry Union (RPU) insists that Russia should ban production of all food products (cutlets, sausage, MDM) made from (imported) frozen poultry. The draft technical regulation allows only chilled meat to be used for processing. If approved, the change would affect poultry storage conditions at factories, feeding facilities, meat storage and processing. Market players believe this would have a strong impact on poultry meat imports leading to an immediate 10 percent increase in poultry prices. According to meat processing experts, frozen meat accounts for about 95 percent of all raw material used by meat processors. Domestic chilled poultry is much more expensive than imported frozen poultry so the new requirement if approved would significantly increase production costs.

Source: USDA/Foreign Agricultural Service, Russian Federal Customs Service



EUROPEAN UNION

The European Commission adopted a new strategy to integrate trade policy into the European Union's competitiveness and economic reform agenda. The policy review (Global Europe: competing in the world) sets out a strategy for opening new markets abroad for EU companies to trade and ensuring that European companies are able to compete fairly in those markets. It also commits Europe to ensuring that its own markets remain open, arguing that in a global market, with global supply chains, Europe needs to import to export.

The EU's new policy says that bilateral accords can address “key issues including investment, public procurement, competition, other regulatory issues and IPR enforcement, which remains outside the WTO at this time.”

On this basis, it identifies ASEAN (10 Southeast Asian nations), Korea, and Mercosur (Argentina, Brazil, Paraguay, Uruguay, Venezuela) as priority targets, along with India, Russia, and the Gulf Cooperation Council. The EU has already started FTA talks with the Gulf Cooperation Council, which comprises six Arabian Peninsula countries centred around Saudi Arabia. Its FTA negotiations with Mercosur, suspended since 2005 over disagreements on agriculture, industrial goods, investment, and services, are set to resume in November. Brussels and New Delhi are also exploring possibilities for starting FTA talks. The paper did not call for an FTA with China in spite of its large and growing market, saying that the country required “special attention because of the opportunities and risks it presents.”

Source: European Commission Trade Issues, BRIDGES Weekly Trade News Digest www.ictsd.org

INSPECTED EGG PRODUCTS-**U.S. & CANADA IMPORT/EXPORT TRADE****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending October 07, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	450	351	8,569	14,027
Frozen	0	0	172	59
Dried	41	89	532	578
Total	491	440	9,273	14,664

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending October 07, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Liquid	45	224	3,018	5,619
Frozen	10	0	880	562
Dried	0	0	66	371
Total	55	224	3,964	6,552

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending October 30, 2006	Year-To-Date			
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	163
Extra Large	900	1,970	70,791	177,458
Large	3,388	5,255	135,814	302,912
Medium	1,260	2,154	69,672	99,017
Ungraded	23,640	7,320	154,358	153,610
Misc	0	0	6,975	8,053
Total	29,188	16,699	437,760	741,213

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

W/E 07-Oct-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	952	1,672	2,624
Last Week	1,173	1,501	2,674
Same week yr ago	1,250	1,445	2,695
To-date/2006	43,743	59,346	103,089
To-date/2005	58,522	56,594	115,116

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	140	4	144
Last Week	185	4	189
Same week yr ago	136	18	154
To-date/2006	6,280	31	6,311
To-date/2005	10,494	58	10,552

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,092	1,676	2,768
Last Week	1,358	1,505	2,863
Same week yr ago	1,386	1,463	2,849
To-date/2006	50,023	59,377	109,400
To-date/2005	69,016	56,652	125,668

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 13, 2006				
CHICKEN WITH SKIN ADDED				
	--- PRICES ---	---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00-18.50	18.00	351,600	270,000
WTD AVERAGE	18.20	18.00		
15-20%				
RANGE	15.00-20.00	11.00-17.00	1,996,800	964,800
WTD AVERAGE	16.67	12.52		
15-20%				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

October 13, 2006				
CHICKEN WITH SKIN ADDED				
	--- PRICES ---	---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	17.00	16.00-17.00	324,000	44,000
WTD AVERAGE	17.00	16.43		
15-20%				
RANGE	15.50-21.00	12.00-16.00	1,850,000	950,000
WTD AVERAGE	17.70	14.14		
20% OR MORE				
RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 13 OCTOBER 2006.

The market tone on tom wings, tom drums, tom necks, breast meats, and destrapped tenders was steady to weak, balance of hen and tom bulk parts and meats was steady. Demand was light to moderate. Offerings were adequate with some burdensome. Trading was mixed. For export: grade A breast 20-24 lbs. 185 cents, mature full-cut wings 36 cents, and mature drums 37 cents. For Export: hand defatted gizzards 67-68 cents, thigh meat for Russia 103-104 cents.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, OCTOBER 13, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	VOLUME
DRUMSTICKS, TOMS	43.00		43.00	80	40.73	440
WINGS FULL-CUT - TOMS	38.00		38.00	12	38.00	12
WINGS, V-TYPE, TOM	46.00		46.00	594	46.00	594
TAILS	32.00-33.00		32.63	32	32.63	32
MECHANICALLY SEPARATED 2/	19.50		19.50	120	18.56	320
THIGH MEAT - FROZEN	98.00		98.00	160	97.60	200

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, OCTOBER 12, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	39.00-41.00		39.67	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	31.00	5
MECHANICALLY SEPARATED 2/	17.00-18.50		17.75	160
THIGH MEAT - FROZEN		W	96.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, OCTOBER 11, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	40.00-41.00		40.50	240
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	31.00	5
MECHANICALLY SEPARATED 2/	19.00		19.00	40
THIGH MEAT - FROZEN	96.00		96.00	40

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, OCTOBER 10, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	41.30	608
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	31.00	5
MECHANICALLY SEPARATED 2/		F	22.19	148
THIGH MEAT - FROZEN		F	97.20	200

**NO EXPORT TRADING REPORTED ON MONDAY, OCTOBER 09, 2006
DUE TO COLUMBUS DAY HOLIDAY**

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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